

MEMORANDUM

May 15, 1963

TO: The Commission

FROM: The Division of Trading and Exchanges

RE: General Securities Company, Incorporated  
NY-3740 - 8-7650  
(Request for Public Revocation Proceedings)

The New York Regional Office advises that their investigation of violations by General Securities Company, Incorporated (General) of the registration provisions of the 1933 Act and the anti-fraud provisions of the 1933 and 1934 Acts in connection with a distribution by General of an offering of securities of Fleetwood Securities Corporation of America is continuing. The New York Office advises that such investigation is now at the point where they will shortly recommend that the order be amended to include allegations of additional violations by General of the registration and anti-fraud provisions of the federal securities laws.

The Division has given careful consideration, in its determination to concur in the New York Office's recommendation to institute proceedings, both to the preliminary injunction which has been obtained against General and to General's notice of withdrawal. Since the injunctive action does not spell out and bring to the public's attention the fraud in which registrant engaged in connection with the distribution of the Fleetwood Securities offering, plus the good possibility of the dismissal of the preliminary injunction should General's withdrawal become effective, this Division, for these reasons, concurs in the New York Office's recommendation to institute proceedings naming General.

Further, the question of whether or not the proceedings should be public or private was discussed with the New York Office. It was decided that since it is expected that a recommendation will shortly be made by the New York Office to amend the order to include, inter alia, more flagrant allegations of fraud, which it will be in the public interest to disclose, the proceedings should be made public initially. The New York Office accordingly recommends, with the concurrence of this Division, that the proceedings be made public.

The question of responsive pleadings was also discussed and it is the recommendation of the New York Office, with the concurrence of this Division, that responsive pleadings be required.

MVMiller/vfo